United States District Court
For the Northern District of California

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

BREWSTER KAHLE, et al.,

Plaintiffs,

v.

JOHN ASHCROFT, in his official capacity as Attorney General of the United States,

Defendant.

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No. C-04-1127 MMC

ORDER GRANTING MOTION TO DISMISS; VACATING HEARING

(Docket No. 24)

Before the Court is the motion filed June 23, 2004 by defendant John Ashcroft, in his official capacity as Attorney General of the United States ("Ashcroft"), to dismiss the above-titled action pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure. Plaintiffs Brewster Kahle ("Kahle"), Internet Archive, Richard Prelinger ("Prelinger") and Prelinger Associates, Inc. have filed opposition, to which Ashcroft has replied. Having reviewed the papers filed in support of and in opposition to the motion, the Court finds the matter appropriate for decision without oral argument, see Civil Local Rule 7-1(b), and hereby VACATES the December 10, 2004 hearing on the motion. For the reasons set forth below, Ashcroft's motion is GRANTED.

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BACKGROUND[1]

By the instant action, plaintiffs challenge the constitutionality of certain federal copyright laws, in particular, the Copyright Renewal Act of 1992 ("Copyright Renewal Act"), the Sonny Bono Copyright Term Extension Act ("CTEA"), the Copyright Act of 1976 ("1976 Act"), and the Berne Convention Implementation Act ("BCIA"), as applied to work created between January 1, 1964, and December 31, 1977.

In Count One, plaintiffs contend the Copyright Renewal Act and the CTEA, enacted in 1998, violate the First Amendment of the United States Constitution by imposing substantial burdens on speech without advancing any legitimate government interest. In particular, plaintiffs object to the extension of the term of copyright by those statutes for works created between January 1, 1964 and December 31, 1997, without any requirement that the copyright owner apply for renewal of copyright.

In Count Two, plaintiffs assert that the Copyright Renewal Act and the CTEA violate Article I, section 8, clause 8 of the United States Constitution ("Copyright Clause") and, in particular, the "limited Times" clause of the Copyright Clause, by establishing copyright terms that are effectively perpetual.

In Count Three, plaintiffs assert that the Copyright Renewal Act, the 1976 Act, and the Berne Convention Implementation Act ("BCIA"), enacted in 1988, all violate the Copyright Clause by failing to "promote . . . Progress." In particular, plaintiffs challenge the elimination by those statutes of the traditional requirements that copyright owners register their works, deposit a copy of their works with the government, and provide notice of their claim to copyright protection, as well as the requirement that, to avoid expiration, the copyright be renewed by the copyright holder.

In Count Four, plaintiffs seek reconsideration of the United States Supreme Court's decision in Eldred v. Ashcroft, 537 U.S. 186 (2003), in light of certain matters assertedly not considered therein. Plaintiffs contend, contrary to Eldred's holding, that Congress violated the "limited Times" clause and the First Amendment in enacting the CTEA because it has no power to extend the terms of existing copyrights.

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[1] All facts set forth in the section below are taken from the allegations of the complaint and are presumed true for purposes of the instant motion.

Plaintiffs seek a declaratory judgment that all four of the above-mentioned statutes are unconstitutional, as applied to works created between January 1, 1964 and December 31, 1977. In addition, plaintiffs seek an order enjoining the criminal enforcement of § 2(b) of the No Electronic Theft Act of 1997 ("NET Act"), 17 U.S.C. § 506(a), "against persons whose infringement of a copyright would not have happened but for 17 U.S.C. §§ 302-304, as amended by the CTEA, for works in their renewal term between January 1, 1964 and December 31, 1977[.]" (See Amended Complaint ("Compl."), prayer for relief ¶ 5.) The NET imposes criminal penalties for copyright infringement. See 17 U.S.C. § 506(a).

Plaintiff Kahle is chairman of the board of plaintiff Internet Archive. (See Compl. ¶ 3.) Internet Archive's principal activity is to build an "Internet Library," with the purpose of offering permanent and free access for researchers, historians, and scholars to works – including audio, books, films, websites, and software – that exist in digital format. (See id.) Internet Archive is currently working, in partnership with Carnegie Mellon University, the National Science Foundation, and the governments of India and China, on the "One Million Book Project," which is an effort to create a digital archive of one million books in fully readable online text format. (See id.) Among the books to be offered will be a large number of "orphan" books, i.e., books that remain under copyright, but which are out of print and therefore not widely available to the public. (See id.) Internet Archive also operates the "Internet Bookmobile," a mobile Internet bookstore that downloads, prints, and binds public domain books for $1 each. (See id.)

Plaintiff Prelinger is president of plaintiff Prelinger Associates, Inc. (See id. ¶ 5.) Prelinger Associates, Inc., known in the trade as Prelinger Archives, has a collection of more than 48,000 "ephemeral" (advertising, educational, industrial, and amateur) films. (See id.) Prelinger Archives provides stock footage to the media and entertainment industries through its authorized sales representative, Getty Images. (See id.) In 2002, the Prelinger Archives film collection was acquired by the Library of Congress. (See id.)

Prelinger Archives remains in existence, holding approximately 4000 titles on videotape and a smaller collection of film materials acquired subsequent to the Library of Congress transaction. (See id.) Its goal remains to collect, preserve, and facilitate access to films of historic significance that have not been collected or made commercially available elsewhere. (See id.)

Plaintiffs have for many years routinely taken films, music, books and other creative works that are in the public domain and have posted those works on the Internet, and intend to do so for the indefinite future. (See id. ¶ 8.) Among the works plaintiffs had been preparing to post on the Internet are works created between 1964 and 1978 that, but for the enactment of the Copyright Renewal Act and CTEA, could, according to plaintiffs, have been legally copied and distributed as of January 1, 2004. (See id.)

Plaintiffs allege that, until the enactment of the 1976 Act, copyright protection was granted only to those authors who took affirmative steps to indicate their desire for such protection; an author who failed to take the affirmative steps required by statute to obtain a copyright effectively dedicated his or her works to the public domain. (See Compl. ¶ 36.) Plaintiffs refer to these requirements as creating a "conditional copyright regime." (See id. ¶ 34.) For example, under the Act of May 31, 1790 ("1790 Act"), a copyright, for a term of 14 years, was secured only if the author (1) registered the title of his or her work with the government; (2) deposited a copy of the work with the government, and (3) provided notice of the copyright to the public. (See id. ¶ 37; see also 1790 Act, 1 Stat. 124 §§ 1, 3, 4.) In order to secure a second 14-year term of copyright protection, the 1790 Act required an author to affirmatively renew his copyright within six months before the expiration of the initial 14-year term. (See Compl. ¶ 37; see also 1790 Act, 1 Stat. 124 § 1.) Similarly, although the Act of February 3, 1831 ("1831 Act") extended the initial term of copyright to 28 years, it retained the requirements of registration, deposit, and notice, as well as the requirement that a copyright owner renew his or her copyright to secure the benefits of an additional 14-year term of copyright protection.[2] (See Compl. ¶ 38; see also 1831 Act, 4 Stat. 436 §§ 1-5.) The Act of March 4, 1909 ("1909 Act") extended the renewal term to 28 years, while retaining the registration, deposit, notice, and renewal requirements.[3] (See Compl. ¶ 39; see also 1909 Act, 35 Stat. 1075 §§ 9-10, 12-13, 18-19, 23.) According to plaintiffs, the consequence of requiring these affirmative steps to secure and retain copyright protection was that the overwhelming majority of published works either passed immediately into the public domain (because they were never registered or deposited or notice was not given), or passed into the public domain after the initial copyright term due to failure to renew the copyright for a second term. (See Compl. ¶ 40.)

Beginning in 1976, with the enactment of the 1976 Act, Congress began to replace the conditional copyright regime with an unconditional copyright regime. (See id. ¶ 35, 47.) In 1976, Congress abolished any registration, deposit, or renewal requirement as a prerequisite for obtaining or maintaining copyrights for works created on or after January 1, 1978, but retained a modified notice requirement. (See id. ¶ 47; see also 1976 Act, Pub. L. 94-553 §§ 302, 401-406, 407(a), 408(a).) As a result of these changes, copyright extended automatically to all works for the full term of copyright, without requiring any affirmative action by the author or his assigns, other than to provide notice to the public. (See Compl. ¶ 47; see also 1976 Act, Pub. L. 94-553 §§ 401-406.) In 1988, Congress passed the BCIA, which prospectively eliminated the notice requirement, and removed registration as a pre-requisite for filing an infringement action based on the works of foreign authors. (See id. ¶ 48 (citing BCIA, Pub. L. No. 100-568); see also BCIA §§ 7, 9.) In 1992, Congress passed the Copyright Renewal Act, which renewed all copyrights for works published between January 1, 1964 and December 31, 1977, even in the absence of any expressed desire by the copyright owners to secure the benefits of an additional term. (See Compl. ¶ 49 (citing

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[2] The requirements for registration, deposit, notice, and renewal were amended in ways not material to the instant action. See 1831 Act, 4 Stat. 436 §§ 2-5.

[3] The requirements for registration, deposit, notice, and renewal were amended in ways not material to the instant action. See 1909 Act, 35 Stat. 1075 §§ 9-10, 12-13, 18-19.

Copyright Renewal Act, Pub. L. No. 102-307); see also Copyright Renewal Act § 101 note, and § 102). Finally, in 1998, Congress enacted the CTEA, which unconditionally extended by 20 years the term of all existing copyrights, including those automatically extended by the Copyright Renewal Act. (See Compl. ¶ 50 (citing CTEA, Pub. L. No. 105-298); see also CTEA ¶ 102.)

Plaintiffs assert that "[w]hereas the traditional contours of a conditional copyright regime assured that the burdens of copyright regulation were narrowed to those works for which the author or his assign desired continued protection, an unconditional regime guarantees that the vast majority of works regulated by copyright serve no continuing commercial or copyright-related interest for their authors." (See id. ¶ 52.) In addition, according to plaintiffs, "[w]hereas the traditional contours of a conditional copyright regime produced records both of the material protected and its ownership, an unconditional copyright regime destroys any reliable indication of copyright ownership, or any useful record of current ownership." (See id. ¶ 53.) Plaintiffs contend that "[w]ithout notice, there is no clear way to know where copyright is claimed" and "[w]ithout a registry, there is no reasonable method for identifying copyright owners." (See id. ¶ 54.)

Plaintiffs state the focus of the instant action is on works published on or after January 1, 1964 but before January 1, 1978, because those works constitute "the first class of work in American history that has had its term extended without any requirement of renewal." (See id. ¶ 68.) Plaintiffs contend the copyrights for the vast majority of this work would not have been renewed at the end of the initial 28-year copyright term; as a result of the 1976 Act and the CTEA, however, the term for this work has been extended by 67 years without any indication by the authors or their assigns that such protection is desired, and without producing any registry of the current owners of those copyrights. (See id. ¶ 68.)

According to plaintiffs, the change to an unconditional copyright regime "radically burdens" access to copyrighted works first published after January 1, 1964 and before January 1, 1978. (See id. ¶ 69.) Because most works produced during this period are not commercially available, "Internet based archives, libraries, film restorers, and follow-on creators have no viable or reasonable way to identify copyright owners for this creative work." (See id. ¶ 69.) Plaintiffs contend there is no copyright-related interest in continuing the copyright for this work, and no copyright-related benefit from abolishing registration. (See id.)

Plaintiffs further contend that the NET, which was enacted in 1997, imposed additional criminal penalties for copyright infringement, which significantly chill the opportunity of archives to make commercially unavailable work accessible to the world. (See id. ¶ 70-72.) The NET provides for a term of imprisonment of up to one year, and/or a fine, for "the reproduction or distribution of 1 or more copies or phonorecords of 1 or more copyrighted works, which have a total retail value of more than $1,000." See 17 U.S.C. § 506(a); 18 U.S.C. § 2319(c).

Plaintiffs allege that "copyright law is now effectively removing much of the creative potential that the Internet provides for works published after January 1, 1964 and before January 1, 1978." (See id. ¶ 73.) As a result of the creation of an unconditional copyright regime, plaintiffs contend, "the costs of tracing and identifying copyright ownership are enormous" and "the legal exposure for publishing work without permission is also enormous." (See id. ¶ 76.) "The consequence," according to plaintiffs, is that "a vast amount of content is unavailable to the Internet, despite the overwhelming probability that the work either is in the public domain, or is owned by an unknown rights holder who has no continued desire to exercise control over the content." (Id.)

Plaintiffs allege that they have experienced these burdens directly, as "the difficulty of identifying rights-holders and clearing copyright under the current copyright laws has largely limited the Million Book Project to government documents, old texts, and books from India and China, where copyright laws are less burdensome." (See id. ¶ 77.) Plaintiffs assert that although the works they seek to include in this project are no longer commercially available, the burden of clearing the rights to make them digitally available limits the potential of the project, (see id.), and because the scope of the project has thus been restricted, "a vast number of copyrighted yet no longer commercially valuable works sit idle rather than enriching public knowledge." (See id. ¶ 78.)

Plaintiffs further assert that approximately 35% of the motion pictures in the Prelinger Archives, prior to the Library of Congress acquisition, were, although no longer commercially exploited, nonetheless subject to existing copyright. (See id. ¶ 79.) Although the Prelinger Archives wishes to make these "orphan films" available to patrons on the same basis as the archive's public domain materials, the process of locating rights holders for many of these works is, according to plaintiffs, too costly and uncertain, (see id.), and, consequently, the portion of the collection that remains subject to copyright protection is available only on a very limited basis, as the archive is not permitted to make copies of the works or to permit transformative re-use of the works. (See id.)

In conclusion, plaintiffs allege, they desire to give access to cultural and scientific work that is no longer commercially available. (See id. ¶ 80.) Were it not for the burdens created by the unconditional extension of copyrights from 1964 to date, plaintiffs state, they would continue their work of making commercially unavailable material accessible through their archives. (See id.) "Both archives seek to collect and make available material from throughout our history, but most importantly, from our recent past." (See id.) According to plaintiffs, unconditional extensions of the copyright term have significantly burdened that work. (See id.)

LEGAL STANDARD

A motion to dismiss under Rule 12(b)(6) cannot be granted unless "it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." See Conley v. Gibson, 355 U.S. 41, 45-46 (1957). Dismissal can be based on the lack of a cognizable legal theory or the absence of sufficient facts alleged under a cognizable legal theory. See Balistreri v. Pacifica Police Dept., 901 F.2d 696, 699 (9th Cir. 1990).

Generally, a district court, in ruling on a Rule 12(b)(6) motion, may not consider any material beyond the pleadings. See Hal Roach Studios, Inc. v. Richard Feiner And Co., Inc., 896 F.2d 1542, 1555 n. 19 (9th Cir. 1990). Material that is properly submitted as part of the complaint, however, may be considered. See id. Documents whose contents are alleged in the complaint, and whose authenticity no party questions, but which are not physically attached to the pleading, also may be considered. See Branch v. Tunnell, 14 F.3d 449, 454 (9th Cir. 1994). In addition, the Court may consider any document "the authenticity of which is not contested, and upon which the plaintiff's complaint necessarily relies," regardless of whether the document is referred to in the complaint. See Parrino v. FHP, Inc., 146 F.3d 699, 706 (9th Cir. 1998). Finally, the Court may consider matters that are subject to judicial notice. See Mack v. South Bay Beer Distributors, Inc., 798 F.2d 1279, 1282 (9th Cir. 1986).

In analyzing a motion to dismiss, the Court must accept as true all material allegations in the complaint, and construe them in the light most favorable to the nonmoving party. See NL Industries, Inc. v. Kaplan, 792 F.2d 896, 898 (9th Cir. 1986). The Court may disregard factual allegations if such allegations are contradicted by the facts established by reference to exhibits attached to the complaint. See Durning v. First Boston Corp., 815 F.2d 1265, 1267 (9th Cir. 1987). Conclusory allegations, unsupported by the facts alleged, need not be accepted as true. See Holden v. Hagopian, 978 F.2d 1115, 1121 (9th Cir. 1992).

DISCUSSION

As defendant's motion to dismiss addresses plaintiffs' claims under the Copyright Clause before proceeding to analyze plaintiffs' First Amendment claims, the Court likewise will begin its analysis with plaintiffs' claims under the Copyright Clause.

A. Copyright Clause

The Intellectual Property Clause of the United States Constitution, also known as the Copyright Clause, provides: "The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries[.]" U.S. CONST. art. I, § 8, cl. 8. The Copyright Clause is "both a grant of power and a limitation," and "to the extent

[Congress] enacts copyrights laws at all," such laws must "promote the Progress of Science." See Eldred v. Ashcroft, 537 U.S. 186 at 212. By this dual grant and limitation, the Copyright Clause "empowers Congress to prescribe 'limited Times' for copyright protection and to secure the same level and duration of protection for all copyright holders, present and future." See id. at 199. It is generally for Congress, "not the courts, to decide how best to pursue the Copyright Clause's objectives." See id. at 212. Consequently, a law that complies with the restrictions of the Copyright Clause is subject only to "rational basis" review. See id. ¶ 204-05 and n.10, 213.

B. Counts Two and Four

As Counts Two and Four both are based on the "limited Times" clause, the Court will address them sequentially.

1. Count Two

In Count Two, plaintiffs allege that, as to work first published on or after January 1, 1964 and before January 1, 1978, the Copyright Renewal Act and the CTEA violate the "limited Times" requirement of the Copyright Clause by establishing copyright terms that are so long as to be effectively perpetual. (See Compl. ¶ 103, prayer for relief ¶ 2.) In support thereof, plaintiffs point to the dissent in Eldred, in which Justice Breyer calculated, using a "discounted present value analysis," (see Compl. ¶ 99), that the current 95-year copyright term for a work made for hire returns to the creator 99.8% of the value of a perpetual term. (See Eldred, 537 U.S. at 255-56 and App. A (Breyer, J., dissenting).)

In Eldred, the Supreme Court rejected the argument that the CTEA violated the Copyright Clause by extending the terms of existing copyrights. See id. at 775. The Eldred plaintiffs argued that permitting Congress to extend existing copyrights allows it to evade the "limited Times" constraint by creating effectively perpetual copyrights through repeated extensions. See id. at 208. In addressing those arguments, the Supreme Court noted that the word "limited," at the time the Constitution was adopted, "meant what it means today: 'confined within certain bounds,' 'restrain[ed],' or 'circumscribe[d].'" See id. at 199 (citations omitted). The Supreme Court held that "a regime of perpetual copyrights 'clearly is not the situation before us'" and found no reason to construe "the CTEA's 20-year term extension as a congressional attempt to evade or override the 'limited Times' constraint." See id. at 209 (quoting Eldred v. Reno, 239 F.3d 372, 379 (D.C. Cir. 2001)). In so holding, the Court emphasized that the plaintiffs had failed to show how the CTEA crossed "a constitutionally significant threshold with respect to 'limited Times' that the 1831, 1909, and 1976 Acts did not," see id. at 209 (quoting Eldred v. Reno, 239 F.3d 372, 379 (D.C. Cir. 2001)), and concluded "[t]hose earlier Acts did not create perpetual copyrights, and neither does the CTEA." See id.

In reaching its decision, the Supreme Court expressly criticized the present value analysis set forth in Justice Breyer's dissent, see id. at 209 n.16, noting: "If Justice Breyer's calculations were a basis for holding the CTEA unconstitutional, then the 1976 Act would surely fall as well, for – under the same assumptions he indulges – the term set by that Act secures 99.4% of the value of a perpetual term." Id. The Court further noted that "on that analysis even the 'limited' character of the 1909 (97.7%) and 1831 (94.1%) Acts might be suspect." See id. Finally, the Court observed: "It is doubtful . . . that the [Founding Fathers] in framing the 'limited Times" prescription, thought in terms of the calculator rather than the calendar." See id.

Plaintiffs correctly note that the plaintiffs in Eldred conceded the CTEA's baseline copyright term of life plus 95 years qualified as a "limited Time," see id. at 199, a concession plaintiffs in the instant case do not make, and that the Supreme Court, in Eldred, did not provide a test for determining whether a copyright term exceeds the "limited Times" clause. Nonetheless, the Supreme Court's statements in Eldred that the CTEA "did not create perpetual copyrights," that Congress did not attempt to evade or override the "limited Times" constraint in enacting the CTEA, and its rejection of Justice Breyer's present value analysis, see id. at 209 and n.16, disposes of plaintiffs' contention, (see Compl. ¶ 103), that the CTEA and the Copyright Renewal Act (which establishes a shorter copyright term than did the CTEA) violate the "limited Times" clause by creating a copyright term that is "effectively perpetual." See Golan v. Ashcroft, 310 F. Supp. 2d 1215, 1217-

1218 (D. Colo. 2004) (finding claim that CTEA violates Copyright Clause, by creating "effectively or virtually perpetual" copyright term, foreclosed by Eldred).

Accordingly, the Court finds that the CTEA and the Copyright Renewal Act do not violate the "limited Times" clause by creating a copyright term that is "effectively perpetual." Consequently, defendants' motion to dismiss Count Two will be granted, and Count Two will be dismissed with prejudice.

2. Count Four

Court Four likewise must be dismissed as a result of the Supreme Court's decision in Eldred. The Supreme Court held in Eldred that Congress does not violate the Copyright Clause or the First Amendment by extending the copyright terms of existing copyrights. See Eldred, 537 U.S. at 192-94; see also id. at 204 ("Neither is it a sound objection to the validity of a copyright term extension . . . that the enlarged term covers existing copyrights.") Nonetheless, plaintiffs allege, the Supreme Court "did not consider that every extension before CTEA applied to works whose terms had to be renewed," (see Compl. ¶ 116), and that "[t]his change in a fundamental contour of copyright's free speech protections should lead the [Supreme] Court to reconsider its decision in Eldred, and hold that within an unconditional copyright regime, Congress has no power to extend the terms of existing copyrights." (See Compl. ¶ 117.)

Irrespective of whether the Supreme Court considered the above-referenced matters, this Court has no authority to overturn Eldred. Any such argument must be addressed directly to the Supreme Court.

Accordingly, defendants' motion to dismiss Count Four will be granted, and Count Four will be dismissed with prejudice.

C. Count Three

In Count Three, plaintiffs contend that Congress' elimination of the registration, deposit, notice, and renewal requirements violates the portion of the Copyright Clause that authorizes Congress to enact copyright laws that "promote the Progress of Science." (See Compl. ¶¶ 107-109.) Plaintiffs seek a declaratory judgment that the 1976 Act, the BCIA, and the Copyright Renewal Act are unconstitutional for failing to "promote . . . Progress." (See id., prayer for relief ¶ 3.)

Plaintiffs allege that by eliminating the requirement that copyright holders renew their copyrights, "Congress has eliminated the mechanism by which unnecessary copyrights can be removed," and "has thereby limited the ability of would-be users to exploit the vast majority of copyrighted material that would otherwise, after a relatively short period of protection, be dedicated to the public domain." (See id. ¶ 109(1).) By eliminating the registration, deposit, and notice requirements, plaintiffs allege, "Congress has brought within the domain of copyright entire classes of works for which protection was never desired, and then compounded the damage to both public domain use and licensing by removing the traditional means by which the owners of copyrighted material can be identified." (See id. ¶ 109(2).) Plaintiffs further allege that "[i]n contrast to the substantial burdens that an unconditional copyright system imposes on the licensing and use of public domain works, the removal of copyright conditions provides no cognizable benefit to authors or the public that could not have been obtained without the removal of conditions." (See id. ¶ 110.) Plaintiffs contend that by "moving from a conditional to an unconditional copyright system, Congress has failed to promote progress, and thus has acted beyond the scope of its power under the Progress Clause." (See id. ¶ 111.)

In Eldred, the Supreme Court rejected the argument that the CTEA's extension of the term of existing copyrights violated the Copyright Clause by failing to promote the Progress of Science. See Eldred, 537 U.S. at 211-214. As discussed, the Supreme Court noted that to the extent Congress enacts copyright laws at all, it must create a system that promotes the Progress of Science. See Eldred, 537 U.S. at 212. The Supreme Court "stressed," however, "that it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause's objectives." See id. The Supreme Court observed that "a key factor in the CTEA's passage was a 1993 European Union (EU) directive instructing EU members to establish a copyright term of life plus 70 years" and directing "its members to deny this longer term to the works of any non-EU country whose laws did not secure the same extended term." See id. at 205. The Court found that by "extending the baseline United States copyright term to life plus 70 years, Congress sought to ensure that American authors would receive the same copyright protection in Europe as their European counterparts," see id. at 205-06, and noted that the CTEA "may also provide greater incentive for American and other authors to create and disseminate their work in the United States." See id. at 206. The Court further noted that, in additional to international concerns, "Congress passed the CTEA in light of demographic, economic and technological changes, and rationally credited projections that longer terms would encourage copyright holders to invest in the restoration and public distribution of their works."[4] See id. at 206-07 (internal citation and footnote omitted). The Court determined that these "justifications" for the enactment of the CTEA "provide a rational basis for the conclusion that the CTEA "promote[s] the Progress of Science." See id. at 213.

The Supreme Court further explained that the "economic philosophy" behind the Copyright Clause "'is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors.'" See id. at 212 n.18. As the Court observed, "'copyright law celebrates the profit motive, recognizing that the incentive to profit from the exploitation of copyrights will redound to the public benefit by resulting in the proliferation of knowledge'" and, indeed, "'[t]he profit motive is the engine that ensures the progress of science.'" See id. (emphasis in original) (quoting American Geophysical Union v. Texaco Inc., 802 F. Supp. 1, 27 (S.D.N.Y. 1992). The Court additionally explained that "rewarding authors for their creative labor and 'promot[ing] . . . Progress' are thus complementary" and cited James Madison's observation that, in copyright law, "'[t]he public good fully coincides . . . with the claims of individuals.'" See id. (quoting The Federalist No. 43 at 272 (C. Rossiter ed. 1961)). The Court rejected Justice Breyer's assertion that copyright statutes must serve public, not private ends, concluding that "[t]he two ends are not mutually exclusive; copyright law serves public ends by providing individuals with an incentive to pursue private ones." See id.

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[4] In particular, the Supreme Court noted that members of Congress expressed the views that (1) as a result of increases in both longevity and in parents' average age at the birth of their children, the pre-CTEA copyright term did not adequately secure the right to profit from one's work during one's lifetime and to ensure that one's children might benefit from one's posthumous popularity; and (2) that the pre-CTEA copyright term had failed to keep pace with the substantially increased commercial life of copyrighted works resulting from the rapid growth in communications media. See id. at 207 n.14.

In the instant case, the essence of plaintiffs' argument is that recent copyright law unconstitutionally favors the interests of authors over those of the general public, and thereby violates the Copyright Clause by failing to promote the Progress of Science. Eldred has foreclosed this type of argument, however, by holding that the Progress of Science is promoted by rewarding authors for their creative labor, and that providing authors with such an incentive to create is "the best way to advance public welfare." See id. Consequently, the Court will review the statutes at issue only to determine whether Congress had a rational basis for concluding that the statutes at issue promote the Progress of Science. See id. at 213.[5] In determining whether a statute "is a rational exercise of the legislative authority conferred by the Copyright Clause," the Court must "defer substantially to Congress." See id. at 204. Whether a copyright statute has a rational basis may be decided as a matter of law. See Eldred, 537 U.S. at 196 (deciding issue on cross-motions for judgment on the pleadings).

The Court first will set forth Congress' stated justifications for the changes to copyright law that plaintiffs challenge, and then will consider whether those justifications provide a rational basis for such changes to the law under the "promote . . . Progress" clause.

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[5] In plaintiffs' opposition, they ask this Court to apply heightened review to determine whether Congress' elimination of copyright "formalities" are "congruent and proportional" to proper Progress Clause ends. (See Opp. at 17.) Plaintiffs fail to recognize that the Supreme Court, in Eldred, expressly rejected this argument and held that the "congruent and proportional" standard applicable to court review of laws enacted under § 5 of the Fourteenth Amendment has no application to court review of copyright laws. See Eldred, 537 U.S. at 217-18.

1. Congress' justifications

a. 1976 Act

i. Renewal requirement

The 1976 Act changed the maximum term of copyright for works created by individuals from 56 years, consisting of an initial term of 28 years plus a renewal term of 28 years, to a single term consisting of the life of the author, plus 50 years. See H.R. REP. NO. 94-1476 at 134 (1976). The legislative history contains the following reasons for eliminating the renewal provision:

> One of the worst features of the present copyright law is the provision for renewal of copyright. A substantial burden and expense, this unclear and highly technical requirement results in incalculable amounts of unproductive work. In a number of cases it is the cause of inadvertent and unjust loss of copyright. Under a life-plus-50 system the renewal device would be inappropriate and unnecessary.

See id. In addition, international concerns were noted, as follows:

> A very large majority of the world's countries have adopted a copyright term of the life of the author and 50 years after the author's death. . . . The need to conform the duration of U.S. copyright to that prevalent throughout the rest of the world is increasingly pressing in order to provide certainty and simplicity in international business dealings. . . . Without this change, the possibility of future United States adherence to the Berne Copyright Union would evaporate, but with it would come a great and immediate improvement in our copyright relations. All of these benefits would accrue directly to American and foreign authors alike.

See id. at 135. It was further noted that basing the copyright term on the life of the author would make it easier for a potential user of the copyrighted work to calculate the copyright term:

> The death of the author is a definite, determinable event, and it would be the only date that a potential user would have to worry about. All of a particular author's works, including successive revisions of them, would fall into the public domain at the same time, thus avoiding the present problems of determining a multitude of publication dates and of distinguishing "old" and "new" matter in later editions.

See id. at 134. Finally, Congress expressly addressed some of the concerns raised by plaintiffs in the instant lawsuit, as follows:

> [M]ost material which is considered to be of continuing or potential

> commercial value is renewed. Of the remainder, a certain proportion is of practically no value to anyone, but there is a large number of unrenewed works that have scholarly value to historians, archivists, and specialists in a variety of fields. . . .
>
> It is true that today's ephemera represent tomorrow's social history, and that works of scholarly value, which are now falling into the public domain after 28 years, would be protected much longer under the bill. Balanced against this are the burdens and expenses of renewals, the near impossibility of distinguishing between types of works in fixing a statutory term, and the extremely strong case in favor of a life-plus-50 system. Moreover, it is important to realize that the bill would not restrain scholars from using any work as source material or from making "fair use" of it; the restrictions would extend only to the unauthorized reproduction or distribution of copies of the work, its public performance, or some other use that would actually infringe the copyright owner's exclusive rights. The advantages of a basic term of copyright enduring for the life of the author and for 50 years after the author's death outweigh any possible disadvantages.

See id. at 136.

ii. Registration requirement

Congress was aware that under the 1909 Act, failure to comply with the Register of Copyright's formal demand for registration resulted in "complete loss of copyright." See H.R. REP. NO. 94-1476 at 150 (1976). Under the 1976 Act, copyright registration is not mandatory, but is a condition of bringing a suit for infringement. See 1976 Act, Pub. L. 94-553 §§ 408, 411. The legislative history contains a recognition that copyright registration for published works[6] "is useful and important to users and should be induced in some practical way," see H.R. REP. NO. 94-1476 at 158 (1976), as well as a determination that unpublished works, which are subject to copyright under the 1976 Act, should not be entitled to "special statutory remedies unless the owner has, by registration, made a public record of his copyright claim." See id. Congress encouraged voluntary registration, pursuant to the 1976 Act, by providing that "a copyright owner whose work has been infringed before registration" would be entitled to an injunction and actual damages, plus any profits not used as a measure of damages, but would not be entitled to an "award of the special or 'extraordinary' remedies of statutory damages or attorney's fees where infringement of copyright in an unpublished work began before registration or where, in the case of a published work, infringement commenced after publication and before registration (unless registration has been made within a grace period of three months after publication)." See id. at 158; see also 1976 Act, Pub. L. 94-553 §§ 412.

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[6] Under the 1909 Act, the copyright term began on the date of publication, while under the 1976 Act, the copyright term generally begins at the time the work is created and fixed. Compare 1909 Act, 1 Stat. 1075 § 23 with 1976 Act, Pub. L. 94-553 §§ 102, 302.

iii. Deposit requirement

Under the 1909 Act, deposit of copies for the collections of the Library of Congress was part of the process of registering a copyright, and "failure to comply with a formal demand [by the Register of Copyrights] for deposit and registration result[ed] in complete loss of copyright." See H.R. REP. NO. 94-1476 at 150 (1976). The 1976 Act treats deposit and registration as "separate though closely related." See id. Under the 1976 Act, "the deposit requirements can be satisfied without ever making registration," and deposit "is not a condition of copyright." See id. at 150. The Register of Copyrights is entitled to exempt certain categories of materials from the deposit requirement to reflect "the needs and wants of the Library." See id. at 150, 151. "Where the category is not exempted and deposit is not made, the Register may demand it; failure to comply would be penalized by a fine," rather than by forfeiture of copyright. See id. at 150. Congress expressed the view that "[a] realistic fine, coupled with the increased inducements for voluntary registration and deposit under other sections of the bill, seems likely to produce a more effective deposit system than the present one." See id.

iv. Notice requirement

The 1976 Act retained the notice requirement of the 1909 Act, but created new exceptions to the requirement that lessened the likelihood that an author would inadvertently lose his or her copyright by failing to strictly comply with the notice requirement. See H.R. REP. NO. 94-1476 at 143 (1976). As explained in the legislative history, the copyright notice "serves four principal functions":

> (1) It has the effect of placing in the public domain a substantial body of published material that no one is interested in copyrighting;
> (2) It informs the public as to whether a particular work is copyrighted;

(3) It identifies the copyright owner;
(4) It shows the date of publication.

See id. "Ranged against these values of a notice requirement are its burdens and unfairness to copyright owners." Id. "One of the strongest arguments for revision of the [then-]present statute [was] the need to avoid the arbitrary and unjust forfeitures . . . resulting from unintentional or relatively unimportant omissions or errors in the copyright notice." Id. Congress concluded that

> the copyright notice has real values which should be preserved, and that this should be done by inducing use of notice without causing outright forfeiture for errors or omissions. Subject to certain safeguards for innocent infringers, protection would not be lost by the complete omission of copyright notice from large numbers of copies or from a whole edition, if registration for the work is made before or within 5 years after publication. Errors in the name or date in the notice could be corrected without forfeiture of copyright.

See id. at 143. The 1976 Act's changes to the notice requirements, as stated in the legislative history, were intended to ensure that "the outright omission of a copyright notice does not automatically forfeit protection and throw the work into the public domain." See id. at 146.

b. BCIA

The stated purpose of the BCIA was "to make changes to the U.S. copyright law that are necessary for the United States to adhere to the Berne Convention." See S. REP. NO. 100-352 at 1 (1988). In enacting the BCIA, Congress recognized that the Berne Convention is "the highest internationally recognized standard for the protection of works of authorship of all kinds" and was of the view that "U.S. membership in the Berne Convention [would] secure the highest available level of multilateral copyright protection for U.S. artists, authors and other creators," as well as "ensure effective U.S. participation in the formulation and management of international copyright policy." See id. at 2.

Under the Berne Convention, "'the enjoyment and the exercise of [copyright] shall not be subject to any formality.'" See id. at 11 (quoting Berne Convention, Art. 5(2).) In the legislative history of the BCIA, Congress notes that "[t]he only real difference . . . that makes the U.S. law incompatible with the Berne Convention consists in the notice and registration requirements." See id. The BCIA was expressly intended to eliminate the provisions of the 1976 Act that were incompatible with Article 5(2) of the Berne Convention. See id.

In particular, the BCIA eliminated the requirement that a work bear a copyright notice in order to obtain or maintain copyright protection. See id. at 12-13, 43-44; see also BCIA, Pub. L. 100-568 § 7. Recognizing the value of placing a copyright notice on publicly distributed works in alerting users that the work is copyrighted and in preventing unintentional infringement, however, the BCIA created an incentive for voluntary use of copyright notice; specifically, a new subsection was added, 17 U.S.C. § 401(d), "which, in specified circumstances, . . . allow[s] a copyright proprietor who places notice on copies of the work to prevent an attempt by an infringer to mitigate damages." See S. REP. NO. 100-352 at 44; see also BCIA, Pub. L. 100-568 § 7.

In order to bring United States copyright law into compliance with the Berne Convention, the BCIA also eliminated, with respect to works originating in foreign states adhering to the Berne Convention,[7] the requirement that a copyright holder register his or her copyright before seeking to enforce his or her copyright against others. See S. REP. NO. 100-352 at 13-14, 45-46; see also BCIA, Pub. L. 100-568 § 9.

c. Copyright Renewal Act

The stated purpose of the Copyright Renewal Act was to automatically grant renewal to works created before January 1, 1978 that were still in their first term of copyright, in order to "restore a measure of equity and fairness to the copyright law." See S. REP. NO. 102-194 at 1, 6 (1992). In the 1976 Act, Congress had retained the renewal requirement for works still in their first copyright term, due to a concern "that eliminating the renewal requirement for these works altogether could potentially disrupt existing expectancies or contractual interests." See id. at 3-4. In adopting the Copyright Renewal Act, however, Congress expressed concern about the "harsh consequences of inadvertent forfeiture" of

[7] As stated in the legislative history of the BCIA, "Berne does not forbid its members to impose formalities on works first published on its own territory." See id. at 18.

copyrights due to failure to renew and the consequent loss of income to authors and their families, see id. at 5, and was of the view that "the public domain should consist of works which have enjoyed a full and fair term of protection and should not be enlarged because of an author's error in recordkeeping, or any other innocent failure to comply with overly technical formalities in the copyright law," see id. at 6. It also expressed concern that the renewal requirement was confusing to foreign authors because such a requirement was unique to United States law, noting that "[c]ompliance with formalities is antithetical" to the Berne Convention. See id.

The legislative history contains a recognition, however, that a registration renewal system had some value in providing a useful public record for users of copyright material, to assist them in locating the copyright holder and arranging to license a work, or in determining when copyright material falls into the public domain. See id. Consequently, the Copyright Renewal Act created "incentives to authors, composers, and other artists to continue to voluntarily renew their copyright in a timely manner, while it eliminate[d] the harsh consequences of failing to renew." See id. In particular, "[r]egistration renewal entitles the author to prima facie evidence of the validity of the copyright, and greater control, in the renewal term, of the use of derivative works which the copyright holder authorized to be made in the first term." See id.; see also Copyright Renewal Act, Pub. L. No. 102-307 § 102(a)(4).

2. Analysis

As noted, the Supreme Court, in Eldred, explained that "'encouragement of individual effort by personal gain is the best way to advance public welfare though the talents of authors and inventors.'" See Eldred, 537 U.S. at 212 n.18 (citing Mazer, 347 U.S. at 219). The Supreme Court also stated that because "'the profit motive is the engine that ensures the progress of science,'" rewarding authors for their labor and promoting Progress are complementary, and that "copyright law serves public ends by providing individuals with an incentive to pursue private ones." See id. (quoting American Geophysical Union v. Texaco, 802 F. Supp. at 27).

As set forth in the legislative history and described above in detail, all of Congress' justifications for the changes to copyright law that plaintiffs challenge are based on the desire to increase the financial reward to authors for their creative works, and to bring United States copyright law into alignment with international law, in particular, the Berne Convention.

As noted, the Supreme Court, in Eldred, has held that rewarding the personal efforts of authors is entirely consistent with the goal of promoting Progress. See id. The Supreme Court further held that the enactment, in the CTEA, of longer copyright terms for existing works did not violate the Copyright Clause, in part because Congress sought to bring United States copyright law into compliance with the Berne Convention. See id. at 206–07. In so holding, the Court cited favorably to a law review article in which the author concluded that matching the level of copyright protection in the United States to that in the European Union "'can ensure stronger protection for U.S. works abroad and avoid competitive disadvantages vis-a-vis foreign rightholders.'" See id. at 206 (quoting Perlmutter, Participation in the International Copyright System as a Means to Promote the Progress of Science and Useful Arts, 36 Loyola (LA) L. Rev. 323, 330 (2002)). Thus, the Supreme Court has strongly suggested that changes to copyright law to conform with the Berne Convention are a rational means of promoting Progress.

Plaintiffs have not argued that Congress could not rationally have believed that the challenged changes to copyright law would provide any benefit to authors, or bring United States copyright law into compliance with the Berne Convention. Rather, plaintiffs argue that Congress (1) by eliminating the copyright renewal requirement, also eliminated the mechanism by which copyrights that were no longer desired by the author would be terminated, and (2) by eliminating the registration, deposit, and notice requirements, brought under copyright protection works for which such protection was never desired by the author, and made it more difficult for users of copyrighted material to identify the owners of such material. (See Compl. ¶ 109.) In essence, plaintiffs argue that Congress should have enacted a different balance between the rights of authors and the rights of the public.

The Supreme Court has stressed, however, that "it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause's objectives," see Eldred, 537 U.S. at 212, and that it is not the role of the courts "'to alter the delicate balance Congress has labored to achieve.'" See id. (quoting Stewart v. Abend, 495 U.S. 207, 230 (1990)). "[T]he Copyright Clause empowers Congress to determine the intellectual property regimes that, overall, in that body's judgment, will serve the ends of the Clause"; "[t]he wisdom of Congress' action . . . is not within [the courts'] province to second guess." See id. at 222.

As Congress had a rational basis for its determination that the changes to copyright law in the 1976 Act, the BCIA, and the Copyright Renewal Act promote the Progress of Science by rewarding authors for their creative work, the Court finds those statutes do not violate the "Progress of Science" clause of the Copyright Clause.

Accordingly, defendants' motion to dismiss Count Three will be granted, and Count Three will be dismissed with prejudice.

D. Count One

In Count One, plaintiffs allege that the Copyright Renewal Act and the CTEA violate the First Amendment to the United States Constitution by imposing an unconstitutional burden on speech with respect to works created after January 1, 1964 and before January 1, 1978 as a result of having altered the "traditional contours" of copyright law from a conditional copyright regime to an unconditional copyright regime. (See Compl. ¶¶ 81-92.)

In Eldred, the Supreme Court observed that the adoption "close in time" of the Copyright Clause and the First Amendment indicated that the Framers of the Constitution were of the belief that "copyright's limited monopolies are compatible with free speech principles." See Eldred, 537 U.S. at 219. As the Supreme Court noted, "copyright's purpose is to promote the creation and publication of free expression," see id. (emphasis in original), and "'[b]y establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas.'" Id. (quoting Harper &

Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 558 (1985)).

The Supreme Court further explained that copyright law "contains built-in First Amendment accommodations." See id. "First, it distinguishes between ideas and expression and makes only the latter eligible for copyright protection," thus striking a "'definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression.'" See id. (quoting Harper & Row, 471 U.S. at 556). "Second, the 'fair use' defense allows the public to use not only facts and ideas contained in a copyrighted work, but also expression itself in certain circumstances." Id.

Additionally, the Supreme Court distinguished between the reproduction of another's speech and "the freedom to make . . . one's own speech," noting that the First Amendment "securely protects" the latter, but "bears less heavily when speakers assert the right to make other people's speeches." See id. at 221. "To the extent such assertions raise First Amendment concerns, copyright's built-in free speech safeguards are generally adequate to address them." Id. In conclusion, the Court declined to hold copyright law absolutely immune from challenges under the First Amendment, but held that where "Congress has not altered the traditional contours of copyright protection, further First Amendment scrutiny is unnecessary." See id.

As discussed earlier, Eldred addressed the constitutionality of applying the CTEA's extended copyright terms to existing copyrights. In Eldred, the Supreme Court found there existed "an unbroken congressional practice of granting to authors of works with existing copyrights the benefit of term extensions so that all under copyright protection will be governed evenhandedly under the same regime." See id. at 200. In addition, the Supreme Court found that the CTEA "protects authors' original expression from unrestricted exploitation" and that "[p]rotection of that order does not raise the free speech concerns present when the government compels or burdens the communication of particular facts or ideas." See id. at 221. Consequently, the Court found that Congress had not altered the "traditional contours of copyright protection," and found no need to engage in scrutiny of the legislation under the First Amendment. See id.

Here, plaintiffs allege that Congress, by eliminating the registration, renewal, deposit, and notice requirements as a condition of obtaining and maintaining a copyright, has altered the traditional contours of copyright protection. The Supreme Court has not identified the entire universe of protections that it considers to be within such "traditional contours." The phrase "traditional contours of copyright protection" originates in Eldred and appears in no other federal court decision prior to Eldred. The concepts of copyright law that the Supreme Court suggests fall within those contours – the idea/expression dichotomy and the fair use exception – each relate to the scope of copyright protection.

By contrast, the registration, renewal, deposit, and notice requirements do not define the scope of copyright protection but, rather, the procedural steps necessary to obtain and maintain a copyright. Congress has repeatedly stated that these requirements are mere "formalities." See, e.g., S. REP. NO. 102-194 at 5-6 (repeatedly referring to renewal requirement as a "formality"); see also S. REP. NO. 100-352 at 12 (referring to notice and registration requirements as "formalities"); H. R. Rep. No. 83-2608, 1954 U.S.C.C.A.N. 3629, 3631 (1954) (referring to deposit, registration, and notice requirements as "formalities"; proposing amendments to U.S. copyright law to conform to Universal Copyright Convention). Such formalities do not alter the scope of copyright protection, but merely determine the procedures necessary to obtain or maintain such protection. Because changes to requirements of this nature do not alter the substantive rights granted by copyright, this Court finds that the challenged amendments do not alter the "traditional contours of copyright protection." Although plaintiffs state, in their opposition, they will show at trial the "real world effect," (see Opp. at 3), of the challenged changes to copyright law, no such evidence can alter this fundamental defect in their case.

As plaintiffs do not allege any alterations to the "traditional contours of copyright protection," no further First Amendment analysis is necessary. See Eldred, 537 U.S. at

221.[8] Accordingly, defendants' motion to dismiss Count One will be granted, and Count One will be dismissed with prejudice.

CONCLUSION

For the reasons set forth above, Ashcroft's motion to dismiss is GRANTED, and the complaint is DISMISSED, in its entirety, with prejudice.

The Clerk shall terminate any pending motions and close the file.

IT IS SO ORDERED.

Dated: November 19, 2004

/s/ Maxine M. Chesney
MAXINE M. CHESNEY
United States District Judge

[8] In light of the findings set forth above, the Court does not reach Ashcroft's additional contention that plaintiffs lack standing to challenge the constitutionality of the 1976 Act and the BCIA.